ECONOMIC DEVELOPMENT MARKETING PLAN
FOR THE CENTRAL OKANAGAN REGIONAL DISTRICT

August, 1983

Ernst & Whinney

ECONOMIC DEVELOPMENT MARKETING PLAN
FOR THE CENTRAL OKANAGAN REGIONAL DISTRICT

August, 1983

Ernst & Whinney

ED
330.973142
C4
E71

Ernst & Whinney Management Consultants

910 Government Street
Victoria, British Columbia V8W 1X3

604/388-7565

August 22, 1983

Mr. Dwight S. Browns
Economic Development Officer
Central Okanagan R.D.
540 Groves Avenue
Kelowna, British Columbia
V1Y 4Y7

Dear Mr. Browns:

Please find enclosed a final report describing our recommended Economic Development Marketing Plan for your Regional District's Economic Development Commission.

We were assisted in this assignment by the Kelowna firm of Harris, Dosman. We would like to thank you and your colleagues on the Commission for your active help and co-operation throughout this assignment.

If you wish any further assistance in the implementation of your Plan, please contact Mr. Ted Semmens in our Victoria office.

Yours very truly,

Ernst & Whinney

ACKNOWLEDGEMENT

This study was funded by the Ministry of Industry and Small Business Development and the Central Okanagan Regional District. However, the responsibility for the content of this report is the consultant's alone. The conclusions reached herein do not necessarily reflect the opinions of those who assisted during this investigation or the provincial and regional governments which funded the study.

TABLE OF CONTENTS

	PAGE
EXECUTIVE SUMMARY	1
CHAPTER ONE : INTRODUCTION	1
1.1 BACKGROUND TO THE STUDY	
1.2 STUDY METHODOLOGY	
1.3 OVERVIEW OF THE REPORT	
CHAPTER TWO : THE CURRENT PRODUCT AND ECONOMIC STRUCTURE	4
2.1 THE CURRENT PRODUCT	
2.2 THE CURRENT ECONOMIC STRUCTURE	
CHAPTER THREE : TARGETING PROCESS	10
CHAPTER FOUR : MAJOR TARGET : TRAVEL AND TOURISM INDUSTRY	14
4.1 CURRENT SITUATION	
4.2 FUTURE OUTLOOK : OPPORTUNITIES AND CONSTRAINTS	
4.3 RATIONALE FOR FOCUSSING ON THIS TARGET	
4.4 OVERALL MARKETING OBJECTIVE	
4.5 ROLE OF EDC	
4.6 IMPLEMENTATION STRATEGY	
CHAPTER FIVE : MAJOR TARGET : VERY RAPID GROWTH, SECONDARY MANUFACTURING INDUSTRIES	19
5.1 CURRENT SITUATION	
5.2 FUTURE OUTLOOK : OPPORTUNITIES AND CONSTRAINTS	
5.3 RATIONALE FOR FOCUSSING ON THIS TARGET	
5.4 OVERALL MARKETING OBJECTIVE	
5.5 ROLE OF EDC	
5.6 IMPLEMENTATION STRATEGY	
CHAPTER SIX : OTHER MAJOR TARGETS	26
6.1 INTRODUCTION	
6.2 CONSTRUCTION INDUSTRY	
6.3 HEALTH CARE INDUSTRY	
6.4 EDUCATION SECTOR	

PAGE

CHAPTER SEVEN : OVERALL IMPLEMENTATION STRATEGY 32

7.1 INTRODUCTION

7.2 OVERALL MARKETING STRATEGY

7.3 OVERALL MANAGEMENT AND ORGANIZATION STRATEGY

APPENDIX A : SUMMARY OF THE STRENGTHS AND WEAKNESSES OF THE PLANNING PROCESS USED

EXECUTIVE SUMMARY

Ernst & Whinney were requested to prepare an Economic Development Marketing Plan to provide a sense of direction and a strategic framework for the Commission's economic development activities in the Central Okanagan Regional District (CORD).

From the economic development perspective, we concluded that the Region's "product" has three major strengths: its unique quality of life, its access to a large and growing consumer population and workforce, and an established economic infrastructure. Its three major constraints relate to its transportation network, its fragile environment, and its location in comparison to other competing areas in Canada.

Given that the EDC has only limited resources it can use in stimulating economic development in the CORD, and given the strengths and weaknesses of the product it can offer the market, we recommend that the EDC focus its development activities on five major targets:

- the travel and tourism industry;
- four or five very rapid growth, secondary manufacturing industries;
- imaginative firms in the construction industry who have developed innovative solutions for residential construction and pre-engineered buildings;
- expansion opportunities in the health care industry; and
- specific opportunities in education, such as a Hospitality School for British Columbia.

The EDC's overall marketing strategy should be to react to requests for assistance from existing sectors of the current economic structure in the CORD and to be aggressively and immediately proactive in pursuing the five target areas identified above.

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

The Economic Development Commission (EDC) in the Central Okanagan Regional District (CORD) has been operating for nearly five years. Its objective has been to co-ordinate and stimulate economic development activities in the Regional District. To accomplish this, the Commission hired a Commissioner, prepared and disseminated "profiles" of the District, assisted local businessmen in applying for government assistance programs, identified opportunities for future growth, etc. The Commission and the Commissioner have therefore become an important part in the Regional District's development infrastructure.

The Commission believes that the development activities of the Commission and the Commissioner could be more effective if there were a clear understanding and acceptance of what economic opportunities are best for the Central Okanagan and how these opportunities ought to be pursued by the EDC.

Ernst & Whinney were requested to help prepare an Economic Development Marketing Plan to answer these questions:

- What is the "product" offered to the market? What are its major strengths and weaknesses from an economic development point of view?

- Given the "product" which the CORD has to sell, and the limited development resources available to the EDC, which "consumers" should be pursued? Why?

- What is the best overall strategy for exploiting any development opportunities? How should the marketing strategies be implemented?

The overall objective of our study is therefore to provide a sense of direction and a strategic framework for the Commission's future economic development activities in the Central Okanagan Regional District.

1.2 STUDY METHODOLOGY

To accomplish this objective, we completed the tasks described in our proposal dated February 1, 1983. In summary:

- We launched the project by meeting with a Steering Committee comprised of the Commissioner and certain members of the EDC.

- We identified the key data elements to be included in a description of the product, the current consumers and the level of economic activity. Ms. Lola Fabroni, from the Regional District, then prepared a "Profile" attached under separate cover, with the needed data and information.

- We conducted a series of meetings with community representatives from the CORD to discuss their ideas on economic development. We also interviewed EDC members and 10 representatives from the federal and provincial governments (eg: federal DREE and the provincial Ministries of Health and Agriculture) and the business community (chartered banks and industry associations). The purpose of these latter meetings was to obtain their insights on the CORD's strengths and weaknesses and the economic sectors the EDC ought to pursue.

- We examined the growth potential of all economic sectors and eliminated certain sectors for detailed consideration. (Chapter Three discusses this process and the results in greater detail.)

- We examined the remaining sectors and sub-sectors and based on certain factors (eg: expected growth rates, ability to contribute to the diversification of the CORD's economy, likely acceptance by CORD residents, impact on quality of life in the CORD, etc.), we identified five specific areas which in our opinion have the greatest potential for future development by the EDC.

- We then developed strategies for the EDC to use in pursuing the five target areas. We discussed our ideas with the Steering Committee, wrote a draft report, received the Committee's constructive comments and prepared this final report.

1.3 OVERVIEW OF THE REPORT

Attached under separate cover is the "Profile" prepared by Regional District staff. It represents a data base on the "product" offered by the CORD and the current level of economic activity. Chapter Two summarizes the major strengths and weaknesses of this product from an economic development point of view. It also outlines the current economic structure in the CORD.

Chapter Three describes the "targeting" process we used to identify the priority sectors and sub-sectors that ought to receive the development attention of the EDC.

Chapters Four through Six discuss the targeted sectors and sub-sectors, the rationale for focussing on them and the specific marketing and implementation strategies to be used by the EDC.

Chapter Seven presents the overall marketing, management and organizational approach that the EDC should adopt.

Appendix A is a short summary of the strengths and weaknesses of the planning process used in this project.

CHAPTER TWO

THE CURRENT PRODUCT AND ECONOMIC STRUCTURE

2.1 THE CURRENT PRODUCT

The "Profile" attached under a separate cover describes the vast array of features which characterize the "product" offered by the CORD. For example, it outlines demographics, the current economic activity and existing firms, businesses and services. This is what the EDC can offer to the market.

In our opinion, from the perspective of a person who is considering the CORD as a potential location for a new, expanded or modernized business, this product has three major strengths and three major weaknesses. Tables One and Two summarize those key features which are strengths and weaknesses, pointing out why these characteristics have an impact on the CORD's potential for economic development. These dominant strengths and weaknesses play a major role in selecting target sectors and in developing marketing strategies.

2.2 THE CURRENT ECONOMIC STRUCTURE

Before identifying the sectors and sub-sectors that ought to receive the future development attention of the EDC, it is first important (and enlightening) to describe the CORD's current economic structure. Table Three summarizes the existing situation by showing how the CORD's experienced labour force is allocated amongst the various economic sectors. It is interesting to note that the three traditional resource-based sectors (agriculture, forestry and mining) account for less than 8% of the Region's total work force. This is less than the accommodation sub-sector.

The Regional District's work force is certainly dominated by the services and trade sectors which together represent nearly 50% of the 1981 labour force.

- The attached "Profile" contains a detailed description of the CORD's current economic activity and structure. Here is a summary of the current status of the CORD's key economic sectors, based on the Profile data and the 1981 Census, completed by Statistics Canada:

TABLE ONE

SUMMARY OF THE MAJOR PRODUCT STRENGTHS

Feature	Description	Why Is This A Strength?
1. Unique Quality of Life	The weather is attractive with low precipitation, a long frost-free period of 150 days on average and 2,000 hours of sunshine per year. There is an abundance of wide-ranging amenities and geographic features suitable for almost any lifestyle. This includes recreation opportunities (indoor and outdoor), a good medical system (supported by 109 doctors and 48 dentists), an educational network (51 public schools and 841 teachers plus Okanagan College offering courses to approximately 4,000 students) and a social infrastructure of organized community associations, events, activities and shopping.	. This feature sets the Regional District apart from most of its competing areas in B.C. and Canad . Entrepreneurs like to live here and set up businesses; it is also easier to attract and retain qualified employees. . This feature can be marketed to the tourism sector, B.C.'s third largest industry.
2. Access to a Large and Growing Consumer Population & Workforce	There are 7 million people (i.e. potential consumers of CORD's products and services) living within 500 miles of Kelowna. This compares favourably with other competing areas in B.C. There has also been a steady growth in CORD's population, going from 34,000 in 1966 to 85,000 in 1981. By 1986, the population is expected to grow to 105,000. In 1982, the per-capita retail sales were $4,358 per person, 36% above the national average. There is a trained work force in the Regional District. Seventy-three per cent of the experienced work force have a high school education or better. The size of the experienced work force over 15 years and not attending school is 39,580 according to the 1981 census. Nearly 10% of that work force have university degrees.	. There is a large, stable, growing and relatively affluent market to consume the CORD's products and services. . A stable and educated work force exists to provide those goods and services.
3. Established Economic Infrastructure	The Region has already attracted a wide-range of businesses in nearly every economic sector. Support services range from freight carriers to public accounting firms and include the assistance provided by a functioning Development Commission and Chamber of Commerce.	. Businesses can establish in CORD knowing that the necessary support services are there. . The wide-range of businesses already in place makes the Region even more attractive to others. These existing businesses represent potential consumers of products and services.

SOURCE:

1. CORD Profile prepared by EDC staff, 1983.
2. Results of the 1981 Census, Statistics Canada

TABLE TWO

SUMMARY OF THE MAJOR PRODUCT WEAKNESSES

Feature	Description	Why Is This A Weakness?
1. Transportation	The network of roads is congested because the roads are narrow, have only two or four lanes and are inadequate to handle the traffic flow during the peak summer months when the tourists are travelling through the Okanagan. The railway system is a branch line and will likely always be a branch line with a low level of service and quality because of the lack of business utilizing railways as a means of transporting goods.	. Access to low-cost transportation is a major determinant for businesses wh are seeking new locations, especially in manufacturing. . Potential visitors may avoid the area because of congestion.
2. Fragile Environment and Concern for the Quality of Life	Because of the focus on the quality of life, there is great concern for clean air, clear water, undisturbed scenery, access to beaches, etc. The CORD is also limited by government agencies as to the number of acres of land that can be dedicated to industrial purposes.	Many industries (such as chemical processors) put significant demands on the environment (eg: need for water) or hav a significant impact on that environmen (eg: pollution). Such industries would find it extremely difficult to locate in the CORD, especially if the "quality of life" is to be maintained or enhanced.
3. Location	Although the Regional District is well located with respect to other competing areas within B.C., it does not have a relatively strong location with respect to other competing areas in Canada.	If a foreign firm or a Canadian entrepreneur were thinking of locating a new business in Canada, then the Regional District (and for that matter all of B.C.) is not close to the markets which dominate North America. These markets would be found nearer to the major urban centres of Canada, and the Regional District would find it difficult to compete for those businesses which plan to serve the total Canadian and North American market.

SOURCE:

1. CORD Profile prepared by EDC staff, 1983.
2. Results of the 1981 census, Statistics Canada.

TABLE THREE

CORD'S CURRENT ECONOMIC STRUCTURE

BASED ON LABOUR FORCE

Sector	Size of 1981 Labour Force (Over 15 Years) In This Sector	% of Total
1. Agriculture	1,920	5%
2. Forestry	465	1
3. Mining	620	2
4. Construction	4,720	12
5. Manufacturing	5,165	13
6. Transportation & Communication	2,220	6
7. Trade (Wholesale and Retail)	7,865	20
8. Finance, Insurance & Real Estate	2,035	5
9. Commercial Business & Personal Services, including these sub-sectors:	11,520	29
. Accommodation : 3,025		
. Education : 2,165		
. Health & Welfare : 2,485		
10. Public Administration	1,785	4
11. Other	1,265	3
TOTAL	39,580	100%

SOURCE: 1981 Census by Statistics Canada.

- Agriculture: Tree fruits and grape production form an important base for a number of secondary industries and businesses. However, acreage in production has decreased from 21,284 in 1971 to 20,559 in 1981. The number of cattle has also decreased from 8,218 in 1971 to 7,177 in 1981. The number of farms has increased from 590 to 859 in the same period. In 1981, there were 1,920 people involved in the agriculture industry and an additional 990 people employed in the food and beverage manufacturing sub-sector.

- Forestry: This sector has been a traditional contributor to the economy. In 1981, there were 465 employees in this sector. However, the number of smaller mills has decreased and two major operations dominate the local forestry scene, producing 95% of the lumber in the Region. The health of the industry is dependent upon foreign markets and the economies of other countries.

- Mining: There are two producing mines associated with the Regional District. Brenda Mines produces copper and molybdenum and is expected to have a mine life of a further 10 years. No significant new finds have been made at Brenda and the grade of copper is low. Beaverdell Mine has been a producer of silver, lead and zinc since 1922 and is estimated to have a reserve of five years.

- Manufacturing: A full range of secondary manufacturing activities occur in CORD, ranging from the production of food and beverages (990 employees) to recreational equipment. The CORD's manufacturing labour force, with 5,165 members in 1981, represents 13% of the total labour force.

- Construction: This sector represented 12% of the labour force in 1981. Within the CORD there are at least 13 large contractors. In 1982, 663 building permits were issued, representing $56.4 million in construction. This contrasts sharply with $140.1 million in 1980 and $128.3 million in 1981, reflecting the recent downturn in the economy. Some of the major construction projects started since 1981 include the $12 million expansion of the Orchard Park Shopping Centre, the $20 million sewage treatment centre for the City of Kelowna, the $5 million expansion of the Kelowna airport and the $10.6 million expansion of the Kelowna General Hospital.

- Travel and Tourism: This sector, which includes the accommodation sub-sector, is the third largest industry in B.C. with five per cent of the gross provincial product. No authoritative figures exist for CORD because they are lumped into the Okanagan/Similkameen Tourism Region. It should be noted that the Okanagan Valley is the third most popular destination in B.C., with 13% of the total provincial tourist revenue in 1981. Tourism revenue for the Okanagan/Similkameen Tourism Region is estimated to be $230 million in 1981, with 1.6 million person-trips to the area. A number of major investment projects have been made in this sector in CORD including the Lake Okanagan Resort and the Pandosy Inn Motel. There are 3,025 people in the CORD working in the accommodation industry alone.

- Retail Trade: This sub-sector employed 5,595 people in 1981. The retail sales in 1982 were $384 million. This represents $4,358 per person, 36% above the national average. There are 3.5 million square feet of retail and commercial space as of November, 1982. At the same date, there was a 1.9% vacancy rate.

- Wholesale Trade: This sub-sector employed 2,280 people in 1981. It is interesting to note that approximately 350 sales representatives were based in the Region and covered much of the Province and parts of southern Alberta from their base in the CORD.

- Health and Welfare: This sub-sector employed 2,485 people in 1981. There were 950 employees on the Kelowna General Hospital payroll representing a total payroll budget of $28 million. The Hospital serves the role of the Regional Referral Centre for the Okanagan Valley and for other areas of the Interior. The Hospital is currently awaiting ministerial approval to proceed with a construction program to go from 534 beds to 880 beds. There are 477 beds in 14 other facilities and 80 new beds expected to come on-stream in 1983.

- Education: In 1981, 2,165 people were employed in this sub-sector. This included 841 teachers who were responsible for 15,717 students enrolled in 51 public schools in the Regional District. Okanagan College offers programs in four centres. In 1976, 1,653 students were enrolled and 3,914 were enrolled in 1982.

CHAPTER THREE

TARGETING PROCESS

The EDC has limited resources to devote to fostering economic development in the CORD. It cannot support each and every sector of the Region's economy. Instead, it has recognized the need to focus its attention on a limited number of targeted sectors, sub-sectors or industries which represent the greatest long-term benefit to the Regional District.

To assist in the targeting process, we examined the primary sector (agriculture; forestry and lumber; pulp and paper; oil, gas and coal; mining and steel and metal smelting) and eliminated it from the targeting process because:

- These industries are more subject to national and world-wide economic conditions and trends than they are to the development activities of an EDC. Chances are slim that an EDC would have a measurable effect on an investment decision by a company in these sub-sectors.

- In our opinion, the role of the EDC should be to help stimulate economic diversification and thus lessen the CORD's reliance on the cyclical primary resources. Pursuing primary resource sectors would not contribute to this objective.

- Such industries (eg: pulp and paper) have High potential to disrupt the "quality of life" feature of the CORD which is so important to CORD residents.

Within the secondary manufacturing sector, we believe that the following sub-sectors need not receive the special development activities of the EDC:

- Food and Beverage Sub-Sector: As seen in Table Four, this sub-sector is expected to have the slowest rate of growth in the secondary manufacturing sector in B.C. in 1984. Its growth rate of 6.1% compares to an expected rate of 8.4% for the total secondary manufacturing sector in B.C. In a recent study of manufacturing industries (see Table Five), the only food and beverage industry to rank in the top 45 rapid growth industries was SIC 2035: pickles, sauces and salad dressings, with an expected average annual growth rate of 6.7% up to 1985.

TABLE FOUR

GROWTH PATTERNS IN THE B.C. ECONOMY
(Expressed in Terms of Annual Per Cent Change in Output)

SECTOR	Weight (1980)	1980	1981	1982	1983	1984
Primary	17.3	1.1	-0.8	-16.1	5.9	11.7
Agriculture	1.2	-26.7	42.2	-8.7	3.9	5.2
Forestry & Lumber	7.5	-1.5	-0.3	-20.4	9.4	13.0
Pulp & Paper	4.0	10.1	-8.0	-8.8	4.1	11.5
Oil & Gas & Coal	1.0	-6.7	-5.9	-0.6	1.4	14.6
Mining	1.4	2.5	-11.4	-21.9	2.1	15.8
Steel & Metal Smelting	2.2	10.8	-3.2	-21.8	2.6	9.1
Secondary Manufacturing	5.4	0.0	5.9	-17.6	1.8	8.4
Food & Beverages	1.8	0.1	1.9	-2.1	2.5	6.1
Machinery	1.1	1.8	18.9	-19.8	-1.4	7.9
Chemicals	1.0	1.9	4.7	-13.3	5.2	10.1
Other Manufacturing	1.5	-2.9	1.4	-17.6	2.7	9.6
Construction	7.3	21.1	-7.1	-8.8	-1.4	5.3
Utilities	2.9	5.6	6.6	-3.2	4.9	9.4
TOTAL GOODS-PRODUCING INDUSTRIES	32.9	4.4	-0.4	-12.6	3.5	9.6
SERVICES	67.1	4.2	3.5	-2.6	3.8	5.6
TOTAL: ALL SECTORS	100.0	4.2	2.2	-5.9	3.7	6.8

SOURCE:

1. "Economic Outlook" prepared by the Economics Department, Bank of Nova Scotia, March, 1983.

NOTE:

1. Data for years 1980, 1981 and 1982 are actuals. For 1983 and 1984, the numbers are forecasts.

- Machinery: In general, industries in this sub-sector produce larger products which need access to very large markets and low cost transportation networks. The CORD would have difficulty in attracting such industries.

- Chemicals: As seen in Table Four, this is the secondary manufacturing industry which is expected to grow the fastest in 1984 (10.1% rate of growth). However, this sub-sector represents a significant potential impact (perceived and actual) on the CORD's quality of life. Potential pollution effects, the lack of extensive infrastructure to support such industry and the likely unacceptance on the part of the CORD residents lessen the attractiveness of this sub-sector.

Within the services sector, we do not believe the EDC should expend its limited resources on the wholesale and retail sub-sector. These industries have less potential to contribute to the production of goods and services than do other candidate sub-sectors.

Having eliminated several sectors and sub-sectors, we then examined and screened the remaining areas in terms of their:

- long-term growth prospects;
- potential contribution to economic diversification;
- ability to have a positive impact on other sectors and sub-sectors (eg: backward and forward linkages);
- acceptance by the community; and the
- likelihood of such an industry considering the CORD in the first place.

Based on the selection process discussed above, the EDC ought to focus its limited resources and its development activities on these major areas:

- The travel and tourism industry.

- Four or five secondary manufacturing industries which have experienced, and are expected to continue to experience, very rapid growth in the next few years.

The above areas represent a broad spectrum of opportunities and should receive immediate and equal attention from the EDC. In addition, there are specific opportunities for economic development in:

- health care;
- construction; and
- education.

We must stress that this is not to say that the Regional District or the EDC should discourage development in the sectors which have not been targetted. Indeed, any such development would be welcome if it were to have no negative impact on the CORD's quality of life. But given the limited resources available to the EDC, we believe there are other economic areas which should receive attention from the EDC. In other words, the Commission should certainly react to any request for assistance from the non-target sectors but it should now be aggressively proactive in its pursuit of the target sectors.

The remaining Chapters discuss each of the targets for economic development activities and summarize the rationale for receiving the development attention of the EDC.

CHAPTER FOUR

MAJOR TARGET : TRAVEL AND TOURISM INDUSTRY

4.1 CURRENT SITUATION

The travel and tourism industry in the United States and Canada has encountered less rapid growth in the past few years, primarily due to increased air fares, cutbacks in business travel, resistance to increased room rates and the decline in the number of foreign travellers. However, with the addition of new rooms to existing establishments, and increasing room prices, the North American industry reported continuously higher receipts until the recession had its full impact in 1982.

In British Columbia and in the CORD, this industry has had a relatively strong performance. For example, as stated previously, tourism is now the third largest industry in B.C. with 5% of the gross provincial product. The Okanagan Valley is the third most popular destination in B.C., with 13% of the total provincial tourist revenue in 1981. The tourism revenue for the Okanagan/Similkameen Tourism Region is estimated to be $230 million in 1981, with 1.6 million person-trips to the area. In 1981 there were 3,025 people in the CORD employed in the accommodation industry (i.e. hotels and motels) alone.

4.2 FUTURE OUTLOOK : OPPORTUNITIES AND CONSTRAINTS

Many economists predict that tourism will soon replace mining as B.C.'s second largest industry and that by the end of the century, tourism will be challenging the forest sector's dominance in B.C. Factors which could hamper growth are uncertainty over the strength of the economic recovery, coupled with spiralling fuel and food costs.

Three trends will affect the type of facility introduced in the future:

- With the median age of the population shifting upwards, the over-55 age group is becoming a strong and growing market force, as people retire earlier, travel more and spend at a rate 30% higher than the norm. The hotel and motel industry, for example, is working to attract this segment of the market by offering discount rates, package tours, friendly service and clean rooms.

- Future marketing efforts of the travel and tourism industry, particularly in the accommodation sector, will be focussing more and more on specific groups that are showing rapid growth in size and spending power. For instance, the steady flow of women into the work force is affecting business travel. In 1980, women made up 25% of the business travellers in the United States compared to 10% in 1977, and the lodging industry is responding in many ways. "Women only" floors and tighter security measures are two of the most common new services being provided.

- It is expected that foreign visitors will continue to represent a growing portion of the total tourist market. This has a significant impact on Canada's balance of payments.

In summary, the outlook for this industry appears brighter for the next five years. The most successful operators will be those catering to a balanced mix of business and pleasure travel, since trips in the future will be increasingly planned with a view to combining business with pleasure to save money and fuel.

The tourism sector in the CORD faces some constraints to realizing the potential opportunities described above:

- There are a lack of facilities to handle larger conferences and conventions.

- There are still not enough attractions and other facilities to make the area a four-season destination area.

- Development and marketing activities are fragmented and decentralized amongst competing operators, associations, agencies, etc. There is no focal point to co-ordinate rational development.

- Beaches and local highways are becoming increasingly congested in the busy summer season. Easy access to a tourism attraction or facility is a major concern to both the tourist and the tourism facility operator. A person must be able to get readily to both the area in which the tourism facility is located and to the facility itself for the facility to be attractive to most tourists. Highway 97, which follows

the edge of Okanagan Lake, is a very heavily travelled route which is subject to considerable congestion in certain areas. With the route travelling through urban centres, widening and upgrading is difficult. Improvements to the route are being constructed, designed and planned in various areas. The topography along the route also restricts widening and realignment.

4.3 RATIONALE FOR FOCUSSING ON THIS TARGET

The travel and tourism industry should receive attention from the EDC because:

- It represents a major sector of the current economy yet has significant potential for growth.

- The product (i.e. scenery, weather, recreation opportunities, etc.) is excellent for approaching the tourism market. CORD has a considerable variety of natural attractions and capabilities for summer, Water-based activities are popular with Regional residents and can attract large numbers of visitors from other areas of B.C., Alberta and the United States. The Region already has a particularly high degree of development of tourism amenities and much of the infrastructure is already in place.

- The addition of high-quality facilities will enhance the important "quality of life" dimension.

- As is indicated in the recent Tourism Development Plan (prepared for the Okanagan/Similkameen Tourism Region under the TIDSA program), "the Region has a great capacity for further intensive water-based development which can be supported by extensive land-based activities nearby. The development of shoulder season activities and continued promotion of the nearby alpine ski area will contribute greatly to reducing the dependence on summer visitors and help to extend employment and income opportunities".

- The multiplier effect of tourism is generally considered to be around 3.5 which, applied to the $230 million of tourism revenue for the Okanagan/Similkameen Tourism Region in 1981, results in $805 million in direct and indirect expenditures.

- By strengthening this sector the Regional District can lessen its reliance on the primary resource industries.

- The industry is dominated by a large number of small firms rather than a limited number of larger organizations. This increases the stability of the industry since it and the Region are less dependent on the success or failure of one or two major participants.

- There are significant beneficial linkages to other sectors. For example, the retirement community and other local residents can all benefit from any increase in the number of facilities and attractions. In addition, a growth in such facilities and attractions would mean opportunities for the construction industry. Further, a strengthening of the tourism industry in this Region would give more reasons for attracting a "Hospitality College" to the area (see Chapter Six).

4.4 OVERALL MARKETING OBJECTIVE

This industry has significant development potential. There is an opportunity to expand the tourism season and to establish larger convention facilities and more high quality travel generators. This industry represents a major force in the economic structure in the Regional District. It should continue to receive attention from the Commission to protect its current position and to ensure growth in the future.

4.5 ROLE OF EDC

The role of the EDC should be to co-ordinate the various agencies, organizations, associations, etc. involved so that they can implement the most important aspects of the recently released "Tourism Development Plan". This study has a number

of specific suggestions for taking advantage of the Region's features and for fostering the appropriate type of growth in the tourism industry. The Commission should work with interested parties from the tourism industry to ensure that the appropriate recommendations are introduced. For example, the Plan indicates that the planning unit surrounding the Kelowna area has the second best natural potential and the best historic resources potential in the Okanagan/Similkameen Tourism Region.

4.6 IMPLEMENTATION STRATEGY

To help implement these strategies, the EDC should complete these tasks:

Task	Responsibility	Total EDC Man-Days Required	To Be Done By
1. Meet with the Regional Tourism Association to discuss how to work together more effectively.	All EDC Members	3	Sept. 15/83
2. Examine the recently-issued Tourism Development Plan and decide which recommendations ought to be pursued.	All EDC Members	5	Oct. 30/83
3. Identify opportunities that may arise out of Expo '86 (eg: displays of inland water travel vehicles) and meet officials of Expo '86 to determine how such events in the CORD could be plugged into Expo '86 activities.	Commissioner	3	Oct. 30/83
4. Meet representatives of the Provincial Parks organization in the Ministry of Lands, Parks & Housing to discuss and offer assistance in the development of new or expanded facilities.	Chairman, EDC	2	Sept. 15/83

CHAPTER FIVE

MAJOR TARGET : VERY RAPID GROWTH, SECONDARY MANUFACTURING INDUSTRIES

5.1 CURRENT SITUATION

- The North American secondary manufacturing industry continues to be influenced by profound changes, including:

  - the 1973-74 energy crisis, which ended our long era of cheap oil;
  - inflation rates and interest rates far above those of prior years;
  - a disquieting decline in the rate of private sector productivity; and
  - the recession from which we are slowly emerging.

According to the Scotiabank's "Economic Outlook", the secondary manufacturing sector produces approximately 14% of all goods and services in Canada. In B.C. this figure is 5.4%. The recent and expected change in secondary manufacturing output is:

Year	Canada	B.C.
1980	-4.0%	0.0%
1981	3.4%	5.9%
1982	-10.8%	-17.6%
1983	1.4%	1.8%
1984	7.2%	8.4%

SOURCE: 1. "Economic Outlook" prepared by the Economics Department, Bank of Nova Scotia, March, 1983.

In the CORD, the total manufacturing sector represented 5,165 jobs in 1981 (13% of the total). The food and beverage industry (eg: food processing, wineries, etc.) accounted for 990 employees. The District has a good representation of light manufacturing firms, a number of which have been assisted in their expansion, start-up or modernization by government incentive programs (eg: ASEP, LIFT, ARDSA, etc.).

5.2 FUTURE OUTLOOK : OPPORTUNITIES AND CONSTRAINTS

As seen above, the output in B.C.'s secondary manufacturing sector is expected to grow by 1.8% in 1983 and 8.4% in 1984.

The secondary manufacturing sector has a wide range of sub-sectors and products which are expected to have exceptional growth rates in the next three years. For example, Table Five identifies the 10 secondary manufacturing industries or products which are expected to have the highest annual rate of growth out to 1985.

The study used as the data source for Table Five indicates that, in general, the very rapid growth industries have these characteristics:

- They represent relatively new products or a constantly evolving family of similar products.

- They have had less-than-average price increases because of cost-cutting technology or above-average labour-productivity gains. Price is also a growth factor in such industries as pallets and skids which are used for more efficient, less costly handling in warehouses, etc.

- They represent an ability to be substituted for other products. These substitutions may occur with basic materials (plastics), with intermediate products (laminated trusses) and with finished products (accounting and calculating machinery).

- They are related to energy issues. These energy-related products may be of two types: those that conserve energy and those that are used to find and develop more energy. Such products range from basic insulation to sophisticated environmental control systems.

- They represent "high technology", which requires a steady flow of research and development funds, ideas and personnel.

- The very rapid growers are far more export oriented than others, thus requiring access to cost-efficient transportation modes.

As in the past, export-oriented, high-technology industries will dominate the future group of very rapid growers in the secondary manufacturing sector.

TABLE FIVE

RAPID GROWTH, SECONDARY MANUFACTURING INDUSTRIES

Industry or Product (SIC Code)	Rank (in terms of expected growth rates to 1985)	Compound Average Annual Growth Rates 1972-1978	Compound Average Annual Growth Rates 1979-1985
Semiconductors and Related Devices (3674)	1	19.1%	20.7%
Office Machines, N.E.C. (3579)	2	9.7%	15.0%
Electronics Computing Equipment (3573)	3	17.0%	15.0%
Optical Instruments and Lenses (3832)	4	18.4%	13.8%
Process Control Instruments (3823)	5	11.0%	12.9%
Environmental Controls (3822)	6	6.5%	11.9%
Measuring and Controlling Devices, N.E.C. (3829)	7	8.4%	10.6%
Calculating and Accounting Machinery (3574)	8	13.6%	10.0%
Wood Pallets and Skids (2448)	9	12.2%	9.0%
Structural Wood Members (2439)	10	6.8%	9.0%

SOURCE:

1. 1982 U.S. Industrial Outlook for 200 Industries with projections for 1986, Bureau of Industrial Economics, January, 1982. (We have assumed that, in general, the growth statistics for the United States are also applicable to the Canadian economy.)

NOTE: Growth is measured in terms of the constant-dollar value of shipments.

5.3 RATIONALE FOR FOCUSSING ON THIS TARGET

The very rapid growth, secondary manufacturing industries are prime candidate targets for the development activities of the EDC because:

- Since they are growth industries, they will be looking for additional locations to increase their capacity.

- The CORD offers the quality of life and economic infrastructure which would be attractive to potential investors, managers and employees alike.

- The very high growth industries pay higher wages and salaries (4%-5% average), than other manufacturing industries.

- They are "clean" industries which will not endanger the quality of life in the CORD.

- They would contribute to the sectoral diversification of the CORD's economic structure and further lessen the District's reliance on the primary sector (i.e. forestry, mining and agriculture).

5.4 RECOMMENDED TARGET INDUSTRIES

We reviewed the very rapid growth manufacturing industries and eliminated those which require access to an R&D facility or which pose significant transportation, environmental or land supply problems. Based on this process, we recommend that the EDC should focus its efforts on the following very rapid growth industries and/or products:

- Wood pallets and skids, structural wood members and wood kitchen cabinets (because of the linkages to existing firms and supplies in the CORD).

- Pickles, sauces and salad dressings (again, because of linkages to supplies and other firms in the immediate area).

- Environmental control devices such as pollution and energy monitoring equipment (because the CORD is especially sensitive to these issues and could be a good testing ground).

Another secondary manufacturing industry which has only emerged recently is the "software products" industry (packaged and custom programs). These products are part of the computer services industry (SIC 737), a dynamic partner of the computer equipment industry which, as seen in Table Five, is expected to have an annual growth rate of 15%.

The software products industry represents an opportunity for the CORD to enter the burgeoning computer services industry, an industry whose U.S. revenues rose 21% during 1980 to $14.9 billion. Revenues from software products, the fastest growing component of the computer industry, rose 30% in that year. The software industry is dominated by smaller firms whose designers, managers and other employees would be attracted to CORD's quality of life.

5.5 OVERALL MARKETING OBJECTIVE

The objective here should be to take advantage of the likely expansions and new activities of the very rapid growth industries, coupled by an awareness of the very real and significant constraints that the CORD will face in attracting any export-oriented, high-technology firms which dominate the very rapid growth sector.

5.6 ROLE OF EDC

The role of the EDC should be to confirm the list of very high growth products which could be strengthened and/or attracted to the CORD. A previous section recommended certain products/industries which should receive higher priority.

Once this has been done, the EDC should identify potential firms and contact them directly to discuss the CORD's strengths with respect to any planned expansions and to offer assistance in locating in the CORD.

In the longer-term, the EDC should address its perceived weaknesses in this sector by working towards establishing an R&D facility (eg: a Discovery Park) and improving the transportation network.

5.7 IMPLEMENTATION STRATEGY

To launch the above strategy, the EDC should monitor the completion of the following tasks:

Task	Responsibility	Total EDC Man-Days Required	To Be Done By
1. From the list of the fastest growing industries, finalize and seek agreement on the three or four products with the greatest potential for CORD. These will likely include the products recommended above.	Commissioner	3	Sept. 30/83
2. Identify the major firms producing these rapid growth products.	Commissioner	2	Oct. 15/83
3. Contact the President or Chief Executive Officer and discuss (in person or on the phone) the benefits offered by CORD to such industries if they are considering new locations. Follow-up with letters and brochures and offers of EDC assistance.	Commission Members	10	Nov. 15/83
4. Contact associations which represent the rapid growth industries. For example, meet the Executive of the Software Industry Development Association in Victoria, B.C. and discuss the possibility of joint activities and enquire about the tactics they plan to use to encourage the growth of this industry in Victoria.	Commission Members	10	Dec. 15/83

CHAPTER SIX

OTHER MAJOR TARGETS

6.1 INTRODUCTION

The previous two Chapters described an array of opportunities in two broad sectors: the travel and tourism industry and the very rapid growth portion of the secondary manufacturing industry.

There are also some specific targets that ought to be pursued in these three areas:

- construction;
- health care; and
- education.

This Chapter describes these specific opportunities, the rationale for targeting EDC development activities on them, and the strategies to be used in pursuing them.

6.2 CONSTRUCTION INDUSTRY

Scotiabank predicts in their "Economic Outlook" that "strong primary output in B.C. through 1984 helps to make growth in construction output in B.C. (5.3% growth rate) stronger than the national average (4.4%)".

We earlier indicated that the construction industry accounted for 12% of the CORD's labour force in 1981. The recession has had a dramatic impact on the level of economic activity in this industry. For example, the value of building permits plunged from $140.1 million in 1980 to $56.4 million in 1982 in the CORD.

The EDC can best support this industry and help it achieve its previous level of activity by successfully implementing the marketing strategies described in this report. This should then result in construction activity for hotels, tourist attractions, hospitals, highways, private residential construction, office buildings and institutional buildings.

In addition to helping the CORD's existing construction industry achieve and even surpass its previous activity levels, the EDC should also focus its development activities on attracting and/or supporting those companies (and the associated consulting engineering and professional service companies) which have demonstrated their potential to develop innovative solutions in the following three areas:

- small, energy-efficient private residences;
- pre-engineered buildings for non-residential construction; and
- international markets (in the long-term).

Private Residential Construction

The CORD's population is expected to grow to 105,000 by 1986 from its 1981 level of 85,000. The additional 20,000 people will require housing. New home buyers will be increasingly cost-conscious and concerned about energy costs. Those construction firms that can develop imaginative designs that respond to the cost saving, energy-conscious, downsizing trend will be in the best position to penetrate this market.

If such firms expand or locate in the CORD, they could also sell their services and designs to markets in the Lower Mainland and Alberta.

Pre-Engineered Buildings

The study used as a data source for Table Five indicates that the use of pre-engineered buildings is becoming widespread in certain types of non-residential construction such as industrial buildings, warehouses and agricultural buildings. In 1980, about half of all contracts for low-rise industrial structures of up to 150,000 square feet went to metal building manufacturers, up from about a third in 1973. Construction contractors generally erect these buildings from prefabricated, prepainted components. On-site labour requirements are about two-thirds of those required for conventionally built structures.

Pre-engineered metal buildings are popular because of their low initial cost and speed of construction. These buildings, which are the successors to World War II Quonset huts, have been greatly improved in energy efficiency, esthetic appeal and product variety. Although pre-engineered buildings cannot be substituted for conventionally built structures in all applications, their market share is likely to rise in commercial/industrial construction.

Again, here is an opportunity for CORD-based service firms (contractors, designers, architects, etc.) to seize a role in the design of such structures, marketing the resulting products and services across Canada and internationally.

International Construction (Management and Design)

During our research in the CORD, we were impressed by the number and skills of people who have chosen to live in the CORD (because of the quality of life) yet who provide their services throughout Canada and the United States. In the long-term, the CORD could possibly attract and strengthen firms which service the international construction market, especially in the growing Pacific Rim market area. These services would include construction management and design, and would be based on recent experience in the B.C. based "mega projects" (eg: North-East Coal, B.C. Place, ALRT, etc.).

The size of the market is impressive: in 1980 alone, U.S. companies won overseas construction contracts valued in total at about $47 billion (based on data from "Engineering News Record" for the 400 largest U.S. contractors). It is expected that the overseas work will continue to grow.

Role of EDC

The EDC should react to opportunities to help the CORD's existing, overall construction industry return to its previous level of activity. However, it should actively seek out and assist specific companies that can take advantage of the specific emerging opportunities and trends described above.

As an implementation strategy the Commission should join construction-oriented associations (eg: HUDAC, BOMA) to better identify aggressive and innovative persons who might use the CORD as a base from which to pursue the new type of residential construction, the design of pre-engineered buildings and, in the longer-term, the international construction market.

6.3 HEALTH CARE INDUSTRY

In 1981, the CORD's health and welfare sector employed 2,485 people. Health care represents a stable and rapidly growing sector of the economy in spite of continuing efforts to curb escalating expenditures and government surveillance of publicly-financed health programs.

Government budget cuts and voluntary efforts by the health care industry, along with improved hospital management techniques, a growing number of outpatient surgical facilities and increased emphasis on early diagnosis and preventive treatment, have had only a slight influence on curbing these expenditures. Home health care programs and hospices are gaining acceptance as alternatives to more expensive institutional care. Also, there is an abundance of public health information programs to help society to stay healthier.

The CORD is ideally positioned to take advantage of the ever-growing health care industry because:

- The area is becoming more and more a retirement centre, thus creating a demand for health care services.

- Kelowna is quickly becoming regarded as a regional centre for hospital and other health care services.

- There is already a large base of medical doctors in the area and future medical practitioners would prefer to work in an area like the CORD.

There are major opportunities in this sector which the EDC should actively pursue:

- New Regional Facilities: As Kelowna becomes a health care centre for the entire Okanagan Valley, there will be opportunities for the introduction of expanded facilities at Kelowna General Hospital, eye clinics, cancer clinics, etc. The EDC should meet the persons who will decide the future location of those facilities and ensure that the CORD's strengths are known to these senior decision-makers. Commission members should also participate in the activities of the B.C. Health Association to ensure that the Region is kept informed about potential opportunities in the future.

- Investor-Owned Facilities: In the past decade, one of the fastest growing areas of the U.S. health care industry has been the investor-owned and managed hospitals. These hospital operators are said to enjoy economies of scale, make more efficient use of specialised staff and skilled personnel and are able to purchase supplies and equipment at volume discounts. In light of the B.C. government's emphasis on privatization, this approach is especially significant now. To take advantage of this trend, the EDC should identify, contact and assist those private-sector organizations who might consider establishing nursing homes, hospitals and long-term care facilities in the CORD. The rationale for EDC attention here is that the potential demand exists, the medical specialists are already in the CORD and there is no negative impact on the quality of life.

6.4 EDUCATION SECTOR

There are two specific opportunities in this sector.

Hospitality School

Tourism operators and government officials have recognized the importance of trained staff in the tourism industry. However, there are few schools or institutions in B.C. or Canada to teach these skills. The B.C. government, realizing the importance of tourism in the provincial economy, is now making plans and assessing training needs in order to do something about this situation.

The EDC should immediately meet senior officials in the provincial Ministry of Tourism and the Ministry of Industry and Small Business Development and discuss the establishment of a "Hospitality School" in the CORD. Such a facility would create construction and employment opportunities and assist in upgrading the skill level of local tourist industry participants, thus strengthening this important sector in the CORD.

Degree-Granting University

The B.C. Interior does not have a degree-granting institution. Okanagan College has approximately 4,000 students enrolled in a variety of technical, administrative, etc. courses. Students seeking degrees must leave the CORD to pursue their education.

The establishment of a university in the CORD would attract professional people to the CORD and result in construction and employment opportunities. Modern R&D facilities at such an institution would also help the CORD's chances of attracting the high technology, very rapid growth industries described in Chapter Five. However, this is a long-term opportunity since the current period of restraint and the recent establishment of a School of Engineering at the University of Victoria would likely prohibit the type of provincial investment that would be required to upgrade Okanagan College to degree-granting status.

In the meantime, the EDC should meet officials in the provincial government to start presenting their case for the eventual introduction of a degree-granting facility in the CORD.

CHAPTER SEVEN

OVERALL IMPLEMENTATION STRATEGY

7.1 INTRODUCTION

The previous Chapters identified strategies, tactics and projects that ought to be implemented immediately to realize some specific development opportunities. This Chapter summarizes the overall marketing and management strategy that the EDC should adopt.

7.2 OVERALL MARKETING STRATEGY

The EDC should have a general marketing approach and philosophy which encompasses these overall strategies:

- It needs to develop more selling tools which emphasize the Region's strengths and the benefits of locating within the CORD. For example, the "Profile" should be used as a data base from which professionally-prepared brochures can be generated, focussing on the key strengths of the Regional District, using anecdotes, testimonials and small "case histories" to point out the benefits to the potential investor and comparing the features of the CORD to other competing areas.

- The EDC should not rely on desk research and such selling tools as brochures as its sole marketing approach. They must complement personal contact with targeted industries and firms. Such contact should be at the highest level possible!

- The Commission should take advantage of the significant number of contacts maintained by members of the Commission and recognize the significant lobbying power held by the Commission. For example, current residents are a natural and inexpensive sales force for the CORD and should be used more effectively (eg: armed with brochures about the CORD) when they travel throughout B.C. and Canada. Similarly, the Commission's contacts should be used to press for highway improvements.

- The Commission should focus its development activity on potential investors from the targeted sectors and sub-sectors identified in this report, but always be available to respond to requests for information or assistance from the non-targeted sectors.

- Given the current and expected North American trend towards a large number of smaller companies creating investment and employment opportunities, the EDC should pursue a range of smaller organizations rather than going after a limited number of large organizations.

- Commission members should join associations which represent, or lobby for, the targeted sectors and sub-sectors. Examples include HUDAC, the B.C. Health Association, the Canadian Manufacturers Association, etc. These associations provide exposure for the entire association membership and therefore provide good leverage to the EDC's development activity. In addition, by joining such associations, EDC members will receive current information about firms considering expansion or relocation. At a minimum, the Commissioner should join the Institute of Association Executives as an Associate Member and thus gain exposure to nearly all of the major associations in North America.

7.3 OVERALL MANAGEMENT AND ORGANIZATION STRATEGY

To manage and organize the whole development exercise, the EDC should follow these general guidelines:

- The EDC and the funding bodies should recognize that the active pursuit of the targeted sectors and sub-sectors will require significant time commitments from not only the Commissioner but also from the members of the Commission. We also envisage significant out-of pocket expenses for such items as Association memberships, travel costs to interested investors and the preparation of marketing brochures. Such costs should be estimated and approved before embarking on the implementation of the marketing strategies described in this report.

- The Commissioner himself is too valuable a resource to be relegated the tasks of handing out brochures and helping firms complete applications for government assistance programs. Such tasks should either be delegated to clerical staff or given to the private sector (eg: public accounting firms should be able to assist their clients in applying for such incentive programs as RDIA, LIFT or ASEP).

- The Plan described in this report will be out-of-date at the moment it is issued! Government budgets, industry decisions and other external events will continuously have an impact on the CORD's Economic Development Plan. Therefore, the EDC should update the Plan annually, adding or deleting selected sub-sectors and development strategies.

- A frequent comment in our interview process was the length of time required to obtain a decision from City and Regional District officials on proposed development projects. We did not collect evidence on the actual delays nor on the nature and severity of this perceived problem. However, there is a definite perception that the problem exists and that such red-tape hinders the timely economic development of the CORD. To resolve this problem (if indeed there is a problem) we recommend that the EDC should meet with senior officials from the Regional District and the City of Kelowna and reach agreement on the "standard" calendar time that should be required to process the various types of applications for development. In addition, to find out if there are indeed damaging delays in this decision-making process, the Regional District and the City of Kelowna should request an independent organization (eg: their auditors) to report back on the nature and severity of this perceived problem and what could be done about it.

- The EDC should manage the activities of the Commissioner by monitoring the completion of the specific marketing projects recommended in this report. In addition, some form of performance appraisal system for the Commissioner should be established to set specific, measurable goals and objectives for the Commissioner and to report back on the progress towards meeting those goals. Such a system should focus on <u>results</u> (eg: number of new firms locating in the CORD due to the Commissioner's assistance) rather than <u>activities</u> (eg: number of brochures handed out or speeches made or companies visited).

- Finally, it should be recognized that volunteer members of an organization like the EDC or the Chamber of Commerce will not have the time to implement the marketing approach recommended in the report. Instead, organized, efficient and effective economic development activities of the type envisaged in this report will require the attention of a full-time Commissioner, (complemented by clerical and research assistance) and/or the "privatization" of the development strategies to multi-disciplinary firms in the private sector who already have the required industry knowledge and contacts at senior levels in the public and private sectors.

APPENDIX A

SUMMARY OF THE STRENGTHS AND WEAKNESSES OF THE PLANNING PROCESS USED

APPENDIX A

SUMMARY OF THE STRENGTHS AND WEAKNESSES OF THE PLANNING PROCESS USED

INTRODUCTION

The development of the Economic Development Marketing Plan described in this report used a planning process that could be utilized in other Regional Districts. Its application in the Central Okanagan was a "pilot study". To learn more from that exercise, here is a brief summary of the strengths and weaknesses of the approach we used.

STRENGTHS

- Allows the planners to assess the potential in all sectors then to focus their attention on those areas with the greatest potential.

- As a result of the meetings with community representatives, the aspirations and excellent ideas of local residents were obtained. This helped in the targeting process and will hopefully increase the likelihood of the acceptance of the Plan since the community participated in its preparation.

- By talking to objective and knowledgeable people from outside the CORD, we gained additional insights into the CORD's strengths and weaknesses and its development potential.

- The preparation of the "Profile" was a key step in obtaining the needed data base for analysis purposes.

- By focussing on a limited number (i.e. five) of high priority, target areas, this approach recognizes that the EDC's resources are limited and cannot be effectively applied to all potential sectors and sub-sectors.

- By describing some specific projects that can be undertaken right away, the process ensures that implementation can proceed.

WEAKNESSES

- The project's budget did not allow for enough time to discuss the Plan with the people who will have to implement that Plan.

- This report will generate numerous questions and concerns from the community and from EDC members, but the process does not provide sufficient time to adequately address all the issues and queries arising from the Plan

- Because the reading audience for the report is so broad, ranging from politicians and professional economists to the general public, it is difficult to write a document which meets all their needs. Issues which are obvious to some need more detailed explanation for others if the issues are to be understood. The time budgetted for report writing should be doubled in future projects.

- The relatively small budget for the assignment ($17,000) does not allow ample time for opportunity identification nor for detailed analyses of sectors.

POOR

QUALITY

ORIGINAL